



STATE OF WASHINGTON
OIL SPILL ADVISORY COUNCIL

302 14th Ave. PO Box 43113 * Olympia, Washington 98504-3113 * (360) 902-3061 * FAX (360) 664-8941
E-mail: osac@gov.wa.gov

Draft Minutes

Lakeway Inn & Convention Center
714 Lakeway Drive
Bellingham, WA 98229
Whatcom Room

August 18, 2006

Members Present: Chairman Mike Cooper, Phil Bannan, Brett Bishop, Chad Bowechop, Maura Brueger, Jim Davis, Mike Doherty, Stuart Downer, Kathy Fletcher, Gerald Joyce, Michael Moore, Kevin Ranker, Steve Robinson (Alternate), Lee Roussel, David Sawicki (Alternate), Jeff Shaw, Gregory Whittaker, Phil Winberry.

Members Absent: Harlan James, Nick Jones, John Schumacher

Staff Present: Jacqui Brown Miller, Dorine Coleman

Chairman Cooper called the meeting to order at 9:05 a.m., and provided opening remarks.

Dorine Coleman, presented the Team Building Exercise, Toxic Waste to the Council.

Revenue Discussion

Brent Finley of Environment International, Ltd, briefed the Council on the new revenue tables to be included in the Council's report, and responded to questions from the Council.

The Council provided comments and suggestions for corrections for the final report.

Jim Davis (Davis) briefed the Council on the Tugs TAC recommendations relating to a year-round tug at Neah Bay. Realizing state budgetary constraints, the TAC recommends, as a bare minimum, the year round presence of the current rescue tug at Neah Bay.

Chairman Cooper informed the Council that Foss Maritime may not renew its annual contract with the State for the current part-time tug stationed at Neah Bay.

1 There was consensus by the Council to include the Tugs TAC's original
2 recommendation in the final report, calling for year-round funding of the current tug.

3
4 There was more discussion by the Council relating to revenue streams.

5 6 **Public Hearing**

7
8 Greg Hanon (Hanon), Western States Petroleum Association (WSPA), stated that
9 the Council has provided excellent information, and that WSPA remains committed to
10 working with the Council. Hanon stated that an area of grave concern is the barrel tax,
11 which he stated, never meant to be a risk-based tax, but a volume tax. Hanon stated that
12 WSPA urges the Council to consider additional sources of revenue to include all users of
13 Washington's waterways.

14
15 Fred Felleman (Felleman), WAVE Consulting, stated that following the Exxon
16 Valdez, authorities in Prince William Sound evaluated the steps taken to avoid future oil
17 spills and concluded that an enhanced tug escort system resulted in a 75 percent oil spill
18 risk reduction. Felleman stated that the tug was not cited in the contingency plan, and
19 stated that the Council should consider the amount barge traffic going up the Columbia
20 river when conducting deliberations relating to the need for a rescue tug. He stated that
21 Washington provides most of Oregon's fuel and that the amount of crude oil transferred
22 from Alberta, Canada to Washington via pipeline may increase.

23
24 Rich Berkowitz (Berkowitz), Transportation Institute, expressed concern about
25 the differences between the original and current drafts of the Council's report. Berkowitz
26 urged the Council to retain the original language of the report, which he stated better
27 illuminate important issues. He also urged the Council to include dates.

28
29 Lieutenant Commander Marty Smith (Smith), United States Coast Guard,
30 provided clarification for a few pieces of information within the report. He stated that the
31 Coast Guard does not develop Geographic Response Plans (GRPs), and references to the
32 Harbor Safety Committee need to be corrected.

33 34 **Final Revenue Stream Deliberations**

35
36 There was consensus by the Council to recommend a five cent per barrel fuel
37 transfer fee in the Council's final report.

38
39 There was consensus by the Council to recommend a two dollar head tax on
40 cruise ships in the Council's final report.

41
42 There was consensus by the Council to recommend eliminating the five cent per
43 barrel tax refund and levy a five cent per barrel tax on crude oil transported via pipeline.

44
45 There was consensus by the Council to recommend the removal of the OSRA cap
46 in the Council's final report.

1 There was consensus by the Council to remove the two-dollar head tax on cruise
2 ships from the Council's final recommendations, but to maintain the revenue source as a
3 back-up, and to recommend, as additional back-up revenue sources, the use of MTCA
4 funds for the one-time clean up of the Derelict Vessel back-log, and raise recreational
5 boater fees from \$12.50 to \$17.50.

6
7 **Public Comment**
8

9 Hanon expressed concern relating to the Council's funding recommendations and
10 stated that the Council may encounter 18th Amendment issues related to the fuel transfer
11 fee proposal.

12
13 Berkowitz also expressed concern relating to the Council's funding
14 recommendations, emphasizing the differences between Puget Sound and Prince William
15 Sound, Alaska.

16
17 **Finalization of Council Report**
18

19 Chairman Cooper reminded the Council that the TAC reports from each of the
20 Council's four TACs are included in the final report.

21
22 The Council offered comments for miscellaneous grammatical changes.

23
24 There was consensus by the Council to re-write the first paragraph of page 28 and
25 remove any references to capital risk.

26
27 There was consensus by the Council to include the new revenue tables that the
28 Council worked on at this meeting in the final report.

29
30 Jeff Shaw, Micheal Moore, and Dave Sawicki (Alternate) stated that they will be
31 submitting minority reports.

32
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34 Chairman Cooper adjourned the meeting at 4:24 p.m.
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